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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

MAR 11 2002

OMB APPROVAL	
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FACING PAGE

103

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/01 AND ENDING 12/31/01
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: OIEN SECURITIES, INC.

OFFICIAL USE ONLY

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

127 TORRANCE BOULEVARD, SUITE 101

(No. and Street)

REDONDO BEACH

CA

90277

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

CHARLES D. OIEN

(310)798-2825

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

ACKERMAN, MATTHEW, FIBER & WAINBERG

(Name — if individual, state last, first, middle name)

1180 S. BEVERLY DRIVE #500

LOS ANGELES

CA

90035

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
- ☐ Public Accountant
- ☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 28 2002

THOMSON
FINANCIAL

FOR OFFICIAL USE ONLY

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

OATH OR AFFIRMATION

I, Charles D. Oien, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Oien Securities, Inc., as of December 31, XX 2001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

[Signature]

Signature

PRESIDENT

Title

Mary Kathleen McCauley
Notary Public



This report** contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

ACKERMAN, MATTHEW, FIBER & WAINBERG

CERTIFIED PUBLIC ACCOUNTANTS

1180 SOUTH BEVERLY DRIVE, SUITE 500

LOS ANGELES, CALIFORNIA 90035

(310) 553-0052

FAX (310) 553-5806

SEYMOUR S. MATTHEW, C. P. A.
LAWRENCE I. FIBER, C. P. A.
LAWRENCE N. WAINBERG, C. P. A.

IRVING ACKERMAN, C. P. A. (RETIRED)

MEMBERS
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CERTIFIED PUBLIC ACCOUNTANTS
CALIFORNIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Oien Securities, Inc.
127 Torrance Blvd., Suite 101
Redondo Beach, California 90277

We have audited the accompanying statement of financial condition of Oien Securities, Inc. as of December 31, 2001 and the related statements of income, cash flows and changes in stockholder's equity for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Oien Securities, Inc. as of December 31, 2001 and the results of its operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

We have also examined the supplementary schedules 1 through 3 and in our opinion, they present fairly the information included therein in conformity with rules of the Securities and Exchange Commission.

Ackerman, Matthew, Fiber & Wainberg

January 31, 2002

OIEEN SECURITIES, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2001

ASSETS

CURRENT ASSETS

Cash and Equivalents	\$ 72,162	
Due From Clearing Broker	49,506	
Deposit with Clearing Broker		
Cash and Cash Equivalents	408,330	
Investment Securities at Amortized Cost	147,136	
Accrued Interest Receivable on Investment Securities	3,459	
Prepaid Expenses	<u>6,664</u>	
Total Current Assets		\$687,257

FIXED ASSETS

Office Furniture and Equipment	34,807	
Less Accumulated Depreciation	<u>(21,765)</u>	
Total Fixed Assets		13,042

OTHER ASSETS

Investment in Mutual Fund	30,728	
Unamortized Organization Costs	1,908	
Security Deposit	<u>1,210</u>	
Total Other Assets		<u>33,846</u>
Total Assets		<u>\$734,145</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 47,416	
Loan from Shareholder	<u>332</u>	
Total Current Liabilities		47,748

STOCKHOLDERS' EQUITY

Common Stock, Authorized 10,000 shares		
Issued and Outstanding 1,000 shares	\$ 10,000	
Paid in Capital	400,000	
Retained Earnings	<u>276,397</u>	
Total Stockholder's Equity		<u>686,397</u>

Total Liabilities and Stockholder's Equity		<u>\$734,145</u>
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(SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENT)

O I E N S E C U R I T I E S , I N C .
S T A T E M E N T O F I N C O M E A N D E X P E N S E
F O R T H E Y E A R E N D E D D E C E M B E R 3 1 , 2 0 0 1

REVENUES

Brokerage Revenues	\$ 954,750
Dividend and Interest Income	<u>26,485</u>
TOTAL REVENUES	\$ 981,235

EXPENSES

Salaries	\$269,000
Broker Clearance Costs	161,293
Floor Brokerage	94,066
Quotation Expenses	50,084
Travel and Auto	32,077
Entertainment	31,522
Rent and Utilities	17,290
Payroll Taxes	14,551
Telephone	11,438
Professional and Advisory Fees	10,426
Insurance	8,660
Depreciation and Amortization	8,502
Office Expense	7,113
Charitable Contributions	6,000
Regulatory Fees	<u>\$ 2,723</u>

Total Expenses	<u>724,745</u>
Income Before Income Taxes	256,490
Provision for Franchise Tax	<u>4,080</u>
Net Income	<u>\$ 252,410</u>

(SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENT)

O I E N S E C U R I T I E S , I N C .
 S T A T E M E N T O F C H A N G E S I N S T O C K H O L D E R ' S E Q U I T Y
 F O R T H E Y E A R E N D E D D E C E M B E R 3 1 , 2 0 0 1

	Common <u>Stock</u>	Paid in <u>Capital</u>	Retained Earnings <u>(Deficit)</u>	Total Stockholder's <u>Equity</u>
Balance-Beginning of Year	\$10,000	\$400,000	\$421,259	\$ 831,259
Net Income for the Year Ended December 31, 2001			252,410	252,410
Other Comprehensive Income Unrealized Loss or Securities held for Investment			(19,272)	(19,272)
Dividends Paid			(378,000)	(378,000)
Balance - End of Year	<u>\$10,000</u>	<u>\$400,000</u>	<u>\$ 276,397</u>	<u>\$ 686,397</u>

(SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS)

OIEEN SECURITIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001

INCREASE (DECREASE) IN CASH

CASH FLOW FROM OPERATING ACTIVITIES

Net Income	\$ 252,410
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ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES:

Items Not Requiring Cash

Depreciation and Amortization	8,502
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NET CHANGES IN ASSETS AND LIABILITIES

Decrease in Due From Clearing Brokers	20,355
Increase in Deposits with Clearing Brokers	(23,728)
Increase in Prepaid Expenses	(5,260)
Decrease in Accounts Payable and Accrued Expenses	(859)
Decrease in State Franchise Tax Payable	<u>(7,698)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES	243,722
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NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES

Aquisition of Fixed Assets	(3,005)
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FINANCING ACTIVITIES

Dividends to Shareholder	\$ (378,000)	
Investment in Mutual Funds	<u>(50,000)</u>	

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(428,000)</u>
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Net Decrease in Cash and Cash Equivalent	(187,283)
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Balance, January 1, 2001	<u>259,445</u>
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Balance, December 31, 2001	<u>\$ 72,162</u>
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Supplemental Information:

Franchise Taxes Paid	\$ 8,600	
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(SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENT)

OIEN SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying financial statement follows:

BUSINESS ACTIVITY

The Company is a NASD licensed broker-dealer. Its customers are all financial institutions and all trades are done on a riskless principal or agency basis. All securities transactions and related brokerage and clearing costs are recorded on a trade date basis.

The Company acts as an introducing broker-dealer, whereby all security transactions are cleared on a fully-disclosed basis with a clearing broker. The clearing broker-dealer receives and disburses all funds and maintains all customer records on behalf of the Company. The clearing broker remits the commissions net of its brokerage and clearing fees to the company.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PROPERTY AND EQUIPMENT

Equipment and furniture is stated at cost. The Company provides for depreciation over the useful life of five years, using an accelerated method of depreciation.

INCOME TAXES

The Company has elected to be taxed under the provision of Subchapter S of the Internal Revenue Code and the corresponding provisions of the California Revenue and Taxation code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. For California purposes, the Company pays a franchise tax at the rate of 1.5% of its taxable income. The shareholder is liable for individual federal and California income taxes on his share of the Company's taxable income respectively.

2. CONCENTRATIONS OF CREDIT RISKS

Financial instruments which potentially subject the company to concentrations of credit risk are primarily cash due from clearing brokers and deposits held by the clearing broker. The company uses one broker for maintaining its clearance account which also holds the deposit. The value of cash and securities held by the broker exceed the mandated coverage provided by SIPC funded by broker/dealers.

OIEN SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001

3. DEPOSIT WITH CLEARING BROKER

The company is required to maintain a deposit with it's clearing broker. The deposit held by the clearing broker consists of the following at December 31, 2001:

Cash and Cash Equivalents	\$408,330
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U.S. Treasury Bonds and Notes with maturities ranging from August 15, 2017 to August 15, 2025. The Company intends to hold these securities to maturity and the amounts are shown at amortized cost.

147,136

Total

\$555,466

At December 31, 2001 the aggregate fair value of the U.S. Treasury securities was \$161,053 and the unrealized gain was \$13,305.

4. INVESTMENT IN MUTUAL FUNDS

The investment in mutual funds is classified as available for sale and are shown at fair value. The unrealized loss at December 31, 2001 is included in Other Comprehensive Income as a separate component of Stockholder's Equity.

5. LEASE COMMITMENTS:

The Company is obligated under a lease commitment for the premises it occupies to October 31, 2004. There is a renewal option for three additional years. The annual minimum cost of living increases are no less than 3%.

Minimum Annual Lease Payments are as follow:

2002	\$ 15,256
2003	15,714
2004	<u>13,420</u>
	<u>\$ 44,390</u>

6. NET CAPITAL REQUIREMENT

The company is subject to the Uniform Net Rule (15c-3-1) of the Securities and Exchange Commission which requires the maintenance of minimum net capital and requires the ratio of aggregate indebtedness to net capital both as defined, shall not exceed 15 to 1. At December 31, 2001 the Company had net capital of \$642,453 which was \$542,453 in excess of its required net capital of \$100,000. Its ratio for aggregate indebtedness to net capital was .07 to 1.

OIEN SECURITIES, INC.
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
DECEMBER 31, 2001

	<u>Audited</u>	<u>Unaudited</u>	<u>Difference</u>
Total Ownership Equity	\$686,397	\$ 747,628	\$ (61,231)
Haircuts	17,661	29,769	12,108
Non-Allowable Assets and Deductions	<u>26,283</u>	<u>29,900</u>	<u>3,617</u>
Net Capital	642,453	687,959	(45,506)
Required Net Capital	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Excess Net Capital	<u>\$542,453</u>	<u>\$ 587,959</u>	<u>\$ (45,506)</u>
Aggregate Indebtedness	<u>\$ 47,748</u>	<u>\$ 6,103</u>	<u>\$ 41,645</u>
Percent of Aggregate Indebtedness to Net Capital	<u>7.43%</u>	<u>.89%</u>	

Principal differences in the net capital computations are due to an error in computing haircuts on U.S. Government Securities, accruals and adjustments made during the examination.

Supplementary Schedule 2

OIEN SECURITIES, INC.
DETERMINATION OF RESERVE REQUIREMENTS
UNDER RULE 15c3-3
DECEMBER 31, 2001

The company operates on a fully disclosed basis with Spear, Leeds & Kellogg. }

Spear, Leeds & Kellogg confirm directly to customers and are responsible for carrying and clearing securities transactions.

The above procedures exempt the Company from the Reserve Requirements of Rule 15c3-3.

OIEN SECURITIES, INC.
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS
UNDER RULE 15c3-3
DECEMBER 31, 2001

The Company operates on a fully disclosed basis and promptly forwards all securities received to the clearing broker, Spear, Leeds & Kellogg thereby exempting Oien Securities, Inc. from Rule 15c3-3 as it relates to possession and control requirements.

ACKERMAN, MATTHEW, FIBER & WAINBERG

CERTIFIED PUBLIC ACCOUNTANTS

1180 SOUTH BEVERLY DRIVE, SUITE 500

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CALIFORNIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

January 31, 2002

To the Board of Directors
Oien Securities, Inc.
127 Torrance Blvd., Suite 101
Redondo Beach, California 90277

In planning and performing our audit of the financial statements of Oien Securities, Inc. for the year ended December 31, 2001 we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5(g) (1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Oien Securities, Inc. that we considered relevant to the objectives stated in rule 17a-5(g), (1) to make the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a3(a) (11) and the reserve required by rule 15c3-3(e); (2) to make the quarterly securities examinations, counts, verifications, and comparisons and the recordation of difference required by rule 17a-13; (3) to comply with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System; and (4) to obtain and maintain physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3.

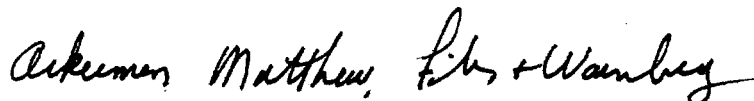
The Company operates on a fully disclosed basis with other brokerage firms who confirm, carry and clear all security transactions for customers introduced by Oien Securities, Inc. thereby exempting the company from compliance with Rule 15c3-3 and 17a-13.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraphs. In fulfilling this responsibility, management is required to make estimates and judgments to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraphs and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. The objective of an internal control structure and of the practices and procedures is to provide management with reasonable, but not absolute, assurance (1) that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and (2) that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the AICPA. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that error or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objective referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purpose. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2001 to meet the Commission's objectives.



ACKERMAN, MATTHEW, FIBER & WAINBERG